



# Iowa General Assembly

## 2010 Committee Briefings

Legislative Services Agency – Legal Services Division

<http://www3.legis.state.ia.us/ga/committee.do?id=41&ga=83>

### GOVERNMENT OVERSIGHT COMMITTEE

**Meeting Dates:** [July 22, 2010](#) | [June 3, 2010](#) | [April 29, 2010](#)

**Purpose.** *This compilation of briefings on legislative interim committee meetings and other meetings and topics of interest to the Iowa General Assembly, written by the Legal Services Division staff of the nonpartisan Legislative Services Agency, describes committee activities or topics. The briefings were originally distributed in the Iowa Legislative Interim Calendar and Briefing. Official minutes, reports, and other detailed information concerning the committee or topic addressed by a briefing can be obtained from the committee's Internet page listed above, from the Iowa General Assembly's Internet page at <http://www.legis.state.ia.us/>, or from the agency connected with the meeting or topic described.*

### GOVERNMENT OVERSIGHT COMMITTEE

July 22, 2010

**Senate Chairperson:** Senator Rich Olive

**House Chairperson:** Representative Vicki Lensing

**Overview.** The Committee continued its inquiry relating to issues which have arisen in connection with the financing and management of the Iowa Association of School Boards (IASB), with an emphasis on the completed audit of IASB's consolidated financial statements for the fiscal year ending June 30, 2009.

**Opening Statements.** Co-chairperson Olive stated he was proud of the Committee's efforts in investigating the misuse and lack of stewardship of taxpayer money by IASB, and was critical of remarks recently made by individuals associated with the IASB board referring to compliance with open meetings and open records laws as inconvenient and responding to Committee inquiries as time-consuming. He additionally expressed concern regarding board action to repeal a budgetary mechanism designed to shelter IASB's cash reserves. He emphasized that the Committee remains committed to developing legislative solutions which ensure accountability by taxpayer-funded organizations. Co-chairperson Lensing remarked that the investigation involves issues of accountability and responsibility similar to those which arose in connection with the Central Iowa Employment and Training Consortium (CIETC), that the lessons presumably learned in the wake of that investigation had obviously not been learned, and that the Committee's emphasis in conducting the IASB investigation is on transparency, honesty, and accountability. Representative Ralph Watts expressed appreciation for the co-chairs' commitment to the investigation and pledged bipartisan support for legislative solutions to the issues which have arisen.

**Fiscal Year 2009 Audit.** Mr. Ted Lodden, Brooks and Lodden, P.C., appearing via telephone connection, accompanied by Mr. Joe Desmond, Ms. Stephanie Lovin, and Mr. James Pistillo, Brooks and Lodden, P.C., provided commentary regarding their recently completed audit of IASB for the fiscal year ending June 30, 2009. Mr. Lodden cited as factors extending the time frame for completion of the audit the lack of financial statements for the period subsequent to the audit year; the lack of personnel to reconcile, explain procedures, or provide adequate documentation; the recently completed review of subsidiary programs and federal audit documentation; and the investigation of whistleblower complaints. He characterized the events at IASB during the preceding year as a perfect storm of negative situations, including the hiring of key personnel to the organization's detriment and the dismissal of key individuals who should have been retained, the economic climate and reduced fees coming into the organization, and a lack of communication which might have otherwise precluded some of the problems which developed. Mr. Lodden indicated he felt the IASB board had reacted appropriately as the investigation unfolded, with actions which included putting internal controls in place, reduction of staff, implementation of a corrective action plan, responding to all recommendations, and provision of all requested information to state and federal investigative agencies. Additionally, Mr. Lodden stated that the audit uncovered some questionable expenditures which appeared more a case of error than fraud or impropriety, that specified amounts owed by or to the organization remain outstanding, that losses attributable to the Iowa Joint Utility Management Program (IJUMP) were due to underbilling of school districts based on a bad pricing model, and that no new or additional incidences of impropriety or mismanagement not previously identified were uncovered.

Committee discussion included verification that the audit can be regarded as truly accurate, whether the board grasps that amounts remaining payable to the organization by former and current employees need to be repaid, the importance of training and education of board members across the nonprofit sector regarding identification of potential problems and their fiduciary responsibilities, the nature of Mr. Kevin Schick's hiring, while an independent contractor, as Chief Financial Officer and the circumstances under which he was ultimately granted bank account access and signature authority, and efforts undertaken by Brooks and Lodden, P.C. to contact board members regarding irregularities and lack of access to financial information resulting in direction by Ms. Maxine Kilcrease and outside legal counsel to refrain from such attempts until the audit was concluded. Additional inquiry involved unauthorized transfers identified in the audit made by Kevin Schick to IASB and its subsidiary, Local Government Services, from related association accounts, the financial status of various IASB programs identified in the audit, whether communication by Brooks and Lodden, P.C. with the board despite legal threats against doing so would have been more effective and appropriate, and the extent to which law enforcement agencies have been contacted with reference to possible civil and criminal wrongdoing.

**IASB Personnel.** Ms. Veronica Stalker, Interim Executive Director, IASB, accompanied by Dr. Lee Tack, Interim Chief Financial Officer, Mr. Russ Wiesley, IASB Board President, and Mr. Nolden Gentry, Brick Gentry P.C., responded to the audit and related discussion from the organization's perspective.

Ms. Stalker stated that while she understood the confounding nature of the events giving rise to the investigation, she was disturbed by the opening remarks made by the co-chairpersons suggesting that IASB might not be fully cognizant of the seriousness of the matter or of the Committee's commitment to continuing its investigation. Ms. Stalker maintained that IASB has taken corrective action regarding every finding and recommendation and that, while doing so has taken time, cost money, and slowed the organization's efforts in moving forward, IASB is fully committed to restoring its reputation for ethical operation and integrity. She noted that contracting with Dr. Tack for the position of Interim Chief Financial Officer was a significant step in restoring confidence in the organization by school boards across the state, that IASB board members are all members of K-12 school boards and understood the application of and necessity for open meetings and open records laws, and that, while members have expressed outrage at IASB's recent problems, the organization's membership trend lines have been unaffected by the publicity surrounding the investigation.

Committee discussion included the status of credit card balance and salary reimbursements owed the organization by former and present employees, with Ms. Stalker indicating that she believed the credit card balance had been paid in full and that attorney letters regarding salary reimbursement had been recently mailed to the employees involved. The possibility of switching to a voucher reimbursement system was explored as an alternative approach to credit card issuance. Additional areas of discussion included conducting a review of the effectiveness of current business programs and their correlation with IASB's mission, the establishment of a budget preparation calendar to notify board members in advance of upcoming discussion items and the status of budgetary matters, the circumstances surrounding the appointment of Mr. Richard Vande Kieft as board treasurer, building in staffing redundancy to ensure breadth of employee knowledge and ability, the appropriateness of employee compensation and benefit amounts, the rationale for requiring that candidates for the Executive Director position possess a doctorate, the observation that the board has exhibited a detrimental hands-off policy, compliance with open meetings requirements and whether specified exemptions are warranted, training and orientation for new board members, the inaccurate characterization by Mr. Schick that his corporate credit card was personal in nature, and the possibility of opening up board membership to non-K-12 school board members to add diversity. Throughout the discussion the point was repeatedly raised by Committee members that IASB is funded and operates exclusively through taxpayer dollars.

**Next Meeting.** Co-chairperson Lensing indicated that the next Committee meeting would probably be held during the month of November, by which time the FY 2010 audit will have been completed by Brooks and Lodden, P.C. Committee recommendations regarding legislative responses to issues raised during the investigation will be made at that time. Potential issues for incorporation in the recommendations were identified to include:

- Regulation of nonprofit organizations and for-profit subsidiaries and tracking state and federal funding relating thereto.
- Board member training regarding communication and financial literacy.
- Nepotism and whistleblower policy requirements.
- Employee travel policies and credit card restrictions.
- The need for transparency and accountability in nonprofit organizations.
- Enforcement and oversight aspects.
- The potential for criminal investigation.

The date, time, and agenda for the meeting will be announced.

**Additional Information.** Committee meetings involving IASB are being recorded and can be linked via the opening page of the General Assembly's Internet website.

The website address for the recorded meetings is <http://www.legis.state.ia.us/AudioVideo/Oversight/83GA/>.

LSA Contacts: Robin Madison, Fiscal Services, (515) 281-5270; Richard Nelson, Legal Services, (515) 242-5822.

Internet Page: <http://www3.legis.state.ia.us/ga/committee.do?id=41&ga=83>

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## GOVERNMENT OVERSIGHT COMMITTEE

June 3, 2010

**Senate Chairperson:** Senator Rich Olive

**House Chairperson:** Representative Vicki Lensing

**Overview.** The Committee continued its inquiry relating to issues which have arisen in connection with the financing and management of the Iowa Association of School Boards (IASB), with testimony received from several individuals either presently or formerly associated with the organization.

**Ms. Susie Oleson, Skills Iowa Project Director, IASB.** Ms. Oleson provided a demonstration prior to the official start of the meeting regarding the operation and application of Skills Iowa. She explained that Skills Iowa is an online technology tool providing tutorials for students in the form of the Skills Tutor Program, and assessment of student learning for teachers, parents, and students in the form of the Assessment Center Program. She presented sample tutorial exercises, discussed student assessment features, noted that Skills Iowa currently serves approximately 85,000 students in 114 school districts across the state, and related ongoing training and support provided by IASB for program implementation.

After the meeting officially commenced, Ms. Oleson described her background in education and previous and current activities while employed at IASB. Concerns which arose during 2009 included infrequent contact with Ms. Maxine Kilcrease, former executive director of IASB, lack of access to the IASB board and instruction via e-mail not to attempt to contact board members, irregularities in administration of grant funding, discussions of repositioning Skills Iowa and her position as project director to report to a nonprofit organization with limited involvement in the project, and being abruptly notified that she would be working from home beginning on September 1, 2009. In response to Committee inquiry, Ms. Oleson stated that Skills Iowa is tied to state, not national educational standards, that the project is federally funded at the present time and in certain previous fiscal years received state appropriations, that Skills Iowa can be regarded as a low stakes (no penalty or negative consequence) assessment tool, and that she favors an open meetings policy which was characteristic of board meetings prior to the arrival of Ms. Kilcrease. Committee discussion also included the history of the development of Skills Iowa and the nature and appropriateness of the project's association with a software technology company owned by Mr. Michael Perik.

**Mr. Ron Rice, former Executive Director, IASB.** Mr. Paul Scott, Mr. Rice's attorney, indicated in an opening statement that Mr. Rice was present pursuant to a subpoena issued by the Committee and would be asserting his Fifth Amendment constitutional right against self-incrimination given the existence of federal and state investigations relating to IASB. Areas of Committee inquiry for which this right was subsequently asserted included Mr. Rice's employment history at IASB, training the IASB board received, how whistleblower complaints were handled, business travel, hiring and salary policies, the circumstances surrounding IASB's contract with Mr. Larry Sigel for continued services following his departure from the organization, funding problems at the organization and misrepresentations relating thereto, and whether the creation of for-profit subsidiaries was a mistake and contrary to the organization's primary mission. The only questions to which Mr. Rice provided a response related to the duration of his tenure as executive director at the organization, his academic credentials, and his lack of previous experience with nonprofit organizations.

**Mr. Kevin Schick, former Chief Financial Officer, IASB.** Mr. Schick, accompanied by his attorney, Mr. Charles Gribble, presented an opening statement summarizing his relationship with IASB, and providing information regarding issues in connection with credit card usage and the possible acquisition of the Payschools program by the PayPal division of eBay. Mr. Schick stated that his services for IASB were provided as an employee for the Flynn Fitzgerald organization and subsequently as an independent contractor, rather than as an IASB employee. He also stated that a credit card with both his name and that of IASB was obtained while he was employed by Flynn Fitzgerald in order to separate IASB-related business expenses from personal ones, and that this card was utilized to pay for expenses relating to a personal trip to Bora Bora in December 2009, after he was notified his personal credit card had been compromised. Mr. Schick indicated that he provided a \$7,500 check to IASB upon his return and prior to receipt of the credit card statement, and issued a subsequent check for a remaining balance which was never presented by IASB for payment. With regard to the Payschools program, Mr. Schick stated that it was not returning a profit, that the board determined it should be sold if possible, that selling the program proved difficult, and that discussions with eBay for an acquisition by PayPal were preliminary in nature and that a purchase offer was never extended.

Mr. Schick emphasized throughout his testimony that IASB failed to provide access to records which would have enabled him to provide meaningful responses to questions. He indicated that he never sought IASB's name to be placed on the second credit card, that he considered it a personal card for business expenses, that IASB was in a tight financial position at the time of his departure from the organization, that his departure was voluntary based upon his perception of a deteriorating work environment, that he informed the board that PayPal was interested in the Payschools program and was performing due diligence with regard to a possible acquisition, that he agrees with the position that IASB operates through taxpayer funding, that the accounting system at IASB was archaic, and that he never intentionally failed to provide the board with financial information.

Considerable Committee questioning was devoted to seeking a clearer understanding of how the second credit card could be characterized as personal in nature when it was imprinted with IASB's name and credit card statements were sent to the organization's office. Additional discussion included Mr. Schick noting that budgets were presented in insufficient detail and financial transactions lacked proper documentation, that he advised the board regarding IASB financial difficulties and that the board sought to develop and implement an action plan in response, that he reduced his billing rate in the face of the financial problems, and that he shared the board's frustration with the inability to obtain financial information.

**Mr. Jack Hill, former Board President, IASB.** Mr. Hill, accompanied by his attorney, Mr. Hearst R. Duncan, Jr., reiterated previously supplied testimony relating to the executive search and recruitment process which resulted in the hiring of Ms. Kilcrease as IASB executive director. He summarized the salary negotiation process, and indicated that subsequent to entering into the initial contract Ms. Kilcrease sought to have an amended version signed contending that it did not conform to her understanding of her compensation level with the board. Mr. Hill stated that his impression was that the amended version would exempt Ms. Kilcrease's salary from payroll taxes, resulting in an increase in take home pay but not in total compensation. He additionally stated that he does not remember signing the amended contract, that he cannot speculate regarding his signature's authenticity, that the failure to present the amended contract to the board was an oversight, and that he did not knowingly authorize a compensation increase to \$367,000.

Committee discussion included lack of access to financial and other information previously supplied when Mr. Rice served as executive director, board suspicions of financial difficulties and lack of awareness of executive salary increases, appropriate compensation levels for organizations such as IASB, why Mr. Hill's handwriting analysis was being conducted by a private contractor versus the state, whether the organization's financial difficulties coincided with and can be attributed to the formation of for profit subsidiaries, and the existence and issuance of IASB credit cards. Mr. Rice concluded his testimony with an expression of hope that IASB's accomplishments over the years will not go unnoticed in the wake of the investigation.

**Ms. Veronica Stalker, Interim Executive Director, IASB.** Mr. Nolden Gentry, attorney for IASB, accompanied Ms. Stalker and requested the opportunity to clarify statements made and issues which arose earlier in the meeting. Mr. Gentry stated that credit cards imprinted with IASB's name are corporate cards, not personal, and that he would attribute IASB's financial problems more to the economic downturn than to the formation of for-profit subsidiaries. He indicated that Ms. Kilcrease made handwritten alterations to her original contract and forwarded it to an assistant for revision, and that the assistant is unable to recall the circumstances under which it was subsequently submitted to Mr. Hill for signature. Additionally, Mr. Gentry related that the handwriting analyst was obtained after IASB was informed that performance of the analysis by the state could conflict with a potential criminal proceeding.

Ms. Stalker summarized 30 years of education experience, and stated that during those years she had at times utilized the services of IASB. She characterized the organization as committed to improvement and change, and being potentially tainted as a whole by the actions of a few individuals. Ms. Stalker identified as priorities getting the organization's "fiscal house" back in order, putting internal controls in place, and restoring IASB's credibility and reputation. These goals are being achieved by receipt of the fiscal year 2009 and 2010 audits, ensuring that the board receives monthly financial statements, hiring a chief financial officer who will undertake a thorough review of each program to determine relevance to the organization's mission, engaging in substantial contact with member school districts, and soliciting superintendent input. She indicated that IASB was currently in a tenable financial situation, that no member district has confirmed plans for nonrenewal, that an open meetings approach to board meetings is envisioned unless personnel issues and position eliminations are being discussed, and that current indications from the auditors suggest a forthcoming unqualified audit reflecting problem containment.

In response to an inquiry regarding possible recommendations for potential legislation, Ms. Stalker referred to the matters under investigation as an aberration in the long history of IASB, and advocated monitoring of reports and audits rather than crafting recommendations in the midst of a crisis. Committee discussion included the merits of monitoring nonprofit organizations that receive dues from members, disappointment at perceived "mission creep", the perception that nonprofit subsidiary formation led the organization into areas it did not belong, retaining an executive director with managerial rather than doctoral expertise, and recommended salary levels for the executive director position.

**Retirement Recognition.** The Committee additionally recognized Mr. Doug Wulf, retiring as an administrator for the Fiscal Services Division, for his many years of valuable service to the General Assembly and, in particular, the Government Oversight Committees.

**Additional Information.** Committee meetings involving IASB are being recorded, and can be linked via the opening page of the General Assembly's internet homepage.

The website address for the recorded meetings is: <http://www.legis.state.ia.us/AudioVideo/Oversight/83GA/>

**Next Meeting.** Date, time, and agenda to be announced.

**LSA Contacts:** Doug Wulf, Fiscal Services, (515) 281-3250; Robin Madison, Fiscal Services, (515) 281-5270; Rick Nelson, Legal Services, (515) 242-5822.

Internet Page: <http://www3.legis.state.ia.us/ga/committee.do?id=41&ga=83>

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## GOVERNMENT OVERSIGHT COMMITTEE

April 29, 2010

**Senate Chairperson:** Senator Rich Olive

**House Chairperson:** Representative Vicki Lensing

**Overview.** The Committee continued its inquiry relating to issues which have arisen in connection with the financing and management of the Iowa Association of School Boards (IASB), with testimony received from several individuals either presently or formerly associated with the organization.

**Maxine Kilcrease, Former Executive Director, IASB.** Ms. Kilcrease appeared in response to a subpoena issued by the Committee, accompanied by her attorney, Sean Spellman. Preliminarily, Mr. Spellman requested the Committee to consider a Motion to Quash Subpoena and Request for Immediate Ruling, similar to one denied in a Polk County District Court hearing earlier in the week. Senate Chairperson Olive responded that the focus of the Committee is to gain insight into what occurred at IASB with the objective of determining if legislative changes relating to nonprofit organizations receiving taxpayer money are warranted, and that the subpoena was issued because the Committee feels that Ms. Kilcrease can assist in this endeavor. He requested unanimous consent for Julie Pottorff, Deputy Attorney General, to render an opinion regarding the appropriateness of the subpoena's issuance. Ms. Pottorff stated that after a review of the grounds raised in support of the Motion to Quash, and of relevant sections contained in Iowa Code Chapter 2, it was her conclusion that the subpoena was properly issued. The Committee unanimously voted to continue its inquiry based upon Ms. Pottorff's opinion.

In an opening statement, Mr. Spellman characterized certain comments previously made in connection with the investigation as divisive and counterproductive, and referred to Ms. Kilcrease as a valued individual implementing changes to improve an organization with financial problems which predated her arrival. He additionally maintained that the circumstances surrounding her employment contract are confidential and privileged and that the contract was improperly and unilaterally terminated, and stated that access to Ms. Kilcrease's records as Executive Director has been blocked by IASB.

Committee inquiry centered around questions relating to Ms. Kilcrease's background and previous experience with nonprofit organizations, her job description and duties as Executive Director while at IASB, the financial condition of the organization during her tenure, the circumstances surrounding a \$157,000 salary increase, the extent to which contact between auditors and IASB board members was curtailed, whether retaliatory action was taken against whistleblowers, the merits of expanding the open records law in the area of nonprofit organizations, and the proper management of such organizations and the formation of for-profit subsidiaries. After consultation with Mr. Spellman, Ms. Kilcrease generally declined to respond to committee questioning or supply requested information, variously citing her Fifth Amendment constitutional right against self-incrimination, that the information sought was privileged and confidential, that it was the subject of a possible civil action, that the question constituted an inaccurate characterization or misrepresentation, or that she lacked access to records necessary to provide an accurate and comprehensive response.

**LeGrand Smith, General Counsel, IASB.** Mr. Smith, presently on medical leave from IASB, described his employment responsibilities and identified the nature and timing of issues and concerns which arose relating to the organization's financial condition and management. These included the termination of an underfunded pension plan; the existence of a \$5 million accounts receivable owed to IASB by Local Government Services (LGS), a for-profit subsidiary; and the appearance of misrepresentations by Kevin Schick, former Chief Financial Officer, IASB, regarding alleged interest by eBay in purchasing one of the organization's revenue-generating programs. Mr. Smith indicated that while he drafted Ms. Kilcrease's original employment contract, he was not involved in any subsequent amendment to the contract, and that he was aware that Ms. Kilcrease had undertaken a review of compensation levels at comparable organizations in other states. Committee inquiry included IASB policies regarding compensation increase timing and approval, travel policy, board member involvement in IASB operations and their reaction to the financial difficulties, and the circumstances surrounding a trip to Bora Bora by Mr. Schick initially financed pursuant to an IASB-issued credit card.

**Mary Gannon, Attorney, IASB.** Ms. Gannon explained the nature of her work at IASB, indicating that lobbying efforts during the legislative session and field work with school districts during the interim combine to distance her from office contact and management activities at the organization. She speculated that some of the issues which arose at IASB in the recent past might be attributable to an adjustment period during the transition from one director to another, noted that IASB staff were made aware of an approximately \$400,000 reduction needed in the face of financial difficulties, and stated that a \$29,000 salary increase was not negotiated and was presented as a market adjustment. Committee discussion included the extent to which lobbying efforts have resulted or could potentially result in an unfair advantage or benefit to IASB and its related organizations, the expansion of Ms. Gannon's job responsibilities following the termination of Margaret Buckton, and whether there has been a change or shift in mindset on the part of either IASB management or the Board of Directors. Ms. Gannon characterized the board as more "hands on" and in receipt of a larger amount of information regarding the activities and management of the organization in the wake of the IASB investigation.



**Margaret Buckton, Vice-President, Iowa School Finance Information Services (ISFIS).** Ms. Buckton summarized her background leading up to employment at IASB, and her positions of employment there. She stated that she had observed reduced board access and a less open management style when Ms. Kilcrease assumed the position of Executive Director, but noted that while she was aware of the budget shortfall and had inquired about sources of revenue to address it, most of the events being currently investigated arose following her termination by Ms. Kilcrease. She characterized her perception of the financial difficulties at IASB as more of a budget “pinch” than a crisis, explained the rationale for her position that serving as a member of the Des Moines School Board did not constitute a conflict of interest with employment at IASB or ISFIS, described seeking the position of Executive Director as an internal candidate, and discussed the circumstances surrounding her termination together with two other individuals in September 2009. Committee discussion included the nature of Ms. Buckton’s current employment at ISFIS and comparisons of that organization with IASB, and IASB’s role in supporting and administering Skills Iowa, a web-based learning tool for students and teachers.

**Larry Sigel, President, ISFIS.** Mr. Sigel discussed the nature of his duties as School Finance Director for IASB, and stated that he resigned from the organization mid-year 2009 after an unsuccessful effort as an internal candidate for the Executive Director position. Mr. Sigel reiterated that IASB’s financial problems amounted to an approximately \$300,000-\$400,000 shortfall, which corresponded to a roughly three to four percent reduction in budget, that this could be attributed to a depressed economy compromising revenue streams, and that while of concern it was not his perception that the shortfall constituted a calamitous financial situation. He described the terms of a \$300,000 contract negotiated prior to the effective date of his resignation between IASB and the newly formed ISFIS, with a number of requirements including advocacy of school district participation in IASB and monitoring of whether IASB programs and products were being utilized by school districts. Committee discussion included IASB’s role in offering low-interest loans and grants to school districts purchasing playground tile from a vendor, Welch Products, in exchange for a fee payable by the vendor to the organization; the prevalence of similar arrangements in other IASB programs; characterization of the contractual monitoring requirement as “spying” versus “marketing”; and whether the formation of for-profit subsidiaries constituted a change in the organization’s focus.

**Nolden Gentry, Attorney, Brick and Gentry, P.C.** Mr. Gentry provided a clarification and explanation regarding the creation of IASB’s sole for-profit corporation, LGS, for the express purpose of protecting IASB’s tax-exempt status. He additionally updated the committee regarding the establishment of an Audit Committee by IASB to meet with outside auditors on a regular basis throughout the year, board approval of salaries and salary adjustments, travel policy adjustments including no payment for spouses and more restrictive credit card charge practices, efforts to appoint a new interim Executive Director, and the resignation of Jack Hill and Bill Morain from the board. With regard to the pending audit of IASB, Mr. Gentry indicated that it was proceeding rapidly, with a hopeful conclusion in early May. In response to Committee inquiry, Mr. Gentry stated that it appears the handwriting analysis being conducted with reference to Mr. Hill’s signature approving Ms. Kilcrease’s salary increase may conclude with an inability to rule out the signature’s authenticity, that progress was being made regarding negotiation and resolution of \$2 million owed by the organization to bond counsel, and that a violation with regard to the confidentiality provisions of IASB’s whistleblower policy appeared to have been made, but with no resulting detriment to the impacted employees. Mr. Gentry concluded with a recognition that the investigation continues to cast a “cloud” over the organization, and that a previously dire financial situation remains “tight”.

**Additional Information.** Audio recordings of the Committee meetings can be linked via the opening page of the General Assembly’s Internet homepage.

The website address for the recorded meetings is: <http://www.legis.state.ia.us/AudioVideo/Oversight/83GA/>

**Next Meeting.** The Committee has tentatively scheduled its next meeting for Thursday, June 3, 2010, in Room 103 at the Statehouse. Time and agenda to be announced.

**LSA Contacts:** Doug Wulf, Fiscal Services, (515) 281-3250; Robin Madison, Fiscal Services, (515) 281-5270; Rick Nelson, Legal Services, (515) 242-5822.

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